



**Washington State
Health Care Authority**

P.O. Box 42702 • Olympia, Washington 98504-2702
FAX 360-923-2835 • TTY 360-923-2701 • www.hca.wa.gov

January 26, 2010

TO: Interested Parties

FROM: Susan DeBlasio, RFP Coordinator

SUBJECT: Amendment 2 - RFP K151 –Administrative Services and Provider
Network – Uniform Medical Plan

Amendment 2 to the above Subject RFP has been issued. This amendment provides the answers to both Phase 1 and 2 Questions submitted by potential bidders.

The remaining Schedule for this procurement is as follows:

SCHEDULE: HCA reserves the right to revise this Schedule.

ACTIVITY	DUE DATE / TIME
PROPOSALS DUE	February 26, 2010 - 3:00 pm, PST
EVALUATIONS COMPLETED	March 26, 2010
FINALIST PRESENTATION(S)	March 29, 2010 – April 2, 2010
ANNOUNCEMENT of APPARENTLY SUCCESSFUL BIDDER	April 6, 2010
CONTRACT SIGNED	May 8, 2010
CONTRACTED SERVICES BEGIN	January 1, 2011

PHASE 1 AND 2 QUESTIONS AND ANSWERS

	BIDDER QUESTION	HCA ANSWER
1.	<p>On Page 18 the last paragraph reads: “The HCA expects to change its information system in the coming years. The details of the new system are under development and are not available at this time.”</p> <p>Can you please provide any additional clarification on the system changes? Is it the eligibility system that you are looking at changing? Data warehouse?</p>	<p>The HCA expects to change its 30-year-old, non-HIPAA compliant eligibility system to a system that generates a HIPAA compliant 834 Form.</p> <p>Until then, bidders will be required to use and to have the ability to convert non-HIPAA compliant eligibility files for other vendors into a HIPAA-compliant 834 Form.</p> <p>The new system is expected soon. When the system is operational and HCA so directs, the UMP TPA will be required to use and accept files from HCA in the new format.</p>
2.	<p>On Page 34 of the RFP it states “By responding to this request the bidder authorizes Milliman to use the data in further analysis.”</p> <p>Please confirm that the data will only be used by Milliman for purposes of this RFP and not their normal course of business.</p>	<p>Data submitted to Milliman as specified in this RFP will be used only for the purposes of this procurement.</p>
3.	<p>Please clarify, in Section 2.1.1 Claims Payment Services General Requirements, required element #10: “Review all claims to determine if the appropriate authorization has been obtained.”</p> <p>Please confirm that ‘all claims’ refers to those claim types where an authorization is appropriate and required’.</p>	<p>Only claims that require authorization need to be reviewed for compliance. Not all claims will need to be reviewed.</p>
4.	<p>Section 2.6 Member Services: the first sentence reads “HCA desires a Member Services Administrative Service that provides knowledgeable, responsive, high quality customer service to all Uniform Medical Plan members, regardless of their location in the world.”</p> <p>Please confirm whether or not the HCA is agreeable to some level of claims administration performed outside the U.S.</p>	<p>Section 2.6, Member Services, deals with administrative functions related to responding to member questions and service needs and other member relations activities, not claims administration which is covered in Section 2.1.</p> <p>HCA recognizes that the UMP membership includes persons who travel to foreign countries for business and pleasure and desires an administrative service that assists these members as well as members located in the United States.</p> <p>See also response to Question #5.</p>
5.	<p>Section 2.6 Member Services, required elements, #8 “Support UMP members working on assignment in other countries</p>	<p>HCA is looking to support UMP members in other countries by offering assistance and information to assist them with evidence or</p>

	BIDDER QUESTION	HCA ANSWER
	<p>for extended periods by offering assistance and information to assist them with evidence or verification of benefits for foreign governments and assistance with filing and tracking status of claims.</p> <p>Please confirm if the HCA is agreeable to support for these members through a Global Benefits program, separate from the standard UMP PPO.</p>	<p>verification of benefits for foreign governments and assistance with filing and tracking status of claims.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • providing members letters for foreign governments confirming UMP coverage. • mailings to out of the country addresses. • expediting direct payment to foreign providers. • reimbursing members for medical care they paid for out of the country once the member has it translated to English and US Currency. <p>Given the very small volume of members out of the country, HCA is not interested in any additional global or worldwide programs.</p>
6.	<p>Section 2.8 Online Services, required element #2, Secure Access, a) “Sign in security approach that achieves the State’s security standard identified above and coordination with other vendors who provide member online services will ensure a single password sign-on across sites.”</p> <p>Is the HCA requiring single sign-on functionality with all of its vendor partners or is this a preferred element we are required to address?</p> <p>If required functionality, please confirm if this functionality is required by the 1/1/2011 effective date of the plan.</p>	<p>Bidder must agree to work with HCA to achieve this objective in a timely manner. We recognize this may not happen by January 1, 2011.</p>
6a.	<p>Section 2.9.1 Compliance with State Data Security Requirements</p>	<p>The HCA Information Systems Director will review bidder data security protocols to determine compliance with State requirements. A contract will only be awarded to an entity whose data security protocols meet or exceed State standards.</p>
7.	<p>Section 2.9.3 Eligibility Systems Requirements, #3.b: “The UMP contractor will transmit eligibility and ‘Other Coverage’ data in a HIPAA-compliant format to the UMP PBM at least weekly...”</p> <p>Please clarify if the requirement is to send an ‘Other Coverage Indicator’ or detailed information about ‘Other Coverage’.</p>	<p>“Other data” refers to other coverage information, not an eligibility coverage indicator field.</p>
8.	<p>Exhibit 5.1 (page 110) Administrative Services PSPM Table</p>	<p>The purpose is to enable review of how allocation of the administrative fee aligns</p>

	BIDDER QUESTION	HCA ANSWER
	Is the purpose of HCA's desire to have our PSPM Administrative rates separated by function so that HCA could potentially make a procurement decision to carve out any of the 14 service components and award contracts to more than one bidder?	with level of effort described for the functions. HCA does not intend to parcel out administrative services package across multiple contractors.
9.	Attachment 3 is the Certificate of Coverage (COC). This is the member facing document. However, will HCA please provide a copy of the actual Benefit Administration Manual which is normally the complete internal view of how to set the benefits that support the COC?	HCA does not produce a Benefit Administration Manual to accompany the Certificate of Coverage. The only other document created to offer guidance around benefit administration is the UMP Billing Manual which applies to UMP Network Providers both professional and hospitals. This information is available publicly online, at www.ump.hca.wa.gov , and click on the provider section following the links to the UMP Provider Billing Manual.
10.	Exhibit 2.8 Online Services Please provide the manual for expectation for administering incentives. What are details behind this option?	<p>HCA currently only has one incentive to be administered. There is no manual available.</p> <p>The details around the current incentive program, "Health Counts" are found on the UMP website, www.ump.hca.wa.gov and click on Health Counts.</p> <p>Bidders should note that this RFP describes a desire on the part of HCA to do business in the future that improves the value of UMP through innovative approaches to benefit design and member engagement in managing their own health. This will involve changes that seek to get providers and members to behave differently, which will include pursuing incentives more aggressively. We expect the UMP TPA to be a partner in that process and to provide flexibility to enable HCA to undertake new incentive programs.</p>
11.	Exhibit 2.10 Conversion Offering It appears the requirement for the contractor to administer standard conversion plans or individual policies to current UMP plan members <u>limits competition</u> for this RFP to Health Plan providers only. Third Party Administrators (TPAs) typically administer plans with claims funding provided by the state. Health Plan providers who assume the risk for claims are the only vendors able to	The RFP requires a conversion offering be provided for UMP in Washington State to comply with HCA's governing statute, RCW 41.05.090. Bidders must meet this requirement to have a complete administrative package. The RFP only requires bidders to provide conversion offerings outside Washington when one already exists. A proposal without any conversion offerings available outside Washington will receive zero points on the score sheet.

	BIDDER QUESTION	HCA ANSWER
	<p>comply with this requirement as written.</p> <p>Please provide clarification regarding the requirement for the contractor to administer standard conversion plans or individual policies to current UMP plan members.</p>	<p>HCA sets no requirements for whether a conversion plan is fully insured or self-funded.</p>
12.	<p>Exhibit 2.11- Implementation Plan 3.a</p> <p>The requirement to finalize programming of UMP benefits and plans provision by July 15, 2010 will give vendor 2 months to complete. Will HCA extend the deadline to October 1, 2010?</p>	<p>HCA is willing to consider alternative dates to meet this portion of implementation. HCA will require the successful vendor to confirm no later than July 15, 2010 the ability to administer the benefits as stated in the COC. HCA will be unable to accept benefit design changes after July 15, 2010 to meet COC printing and open enrollment deadlines. HCA will not accept any proposed implementation plan timeline that extends the finalization of the benefits in the vendors system past September 1, 2010.</p>
13.	<p>Exhibit 2.11- Implementation Plan 3.a</p> <p>It is our concern that the vendor awarded this contract last year has a competitive edge on the requirements of implementation deadlines as they have access to materials such as benefit plans from the implementation begun last year. How does HCA propose to make these deadlines more equitable? Would HCA consider providing all vendors the same data and information that was provided the vendor awarded last year in order to make the procurement process more competitive and equitable?</p>	<p>Bidders have been provided the COC and eligibility file formats necessary to develop bidder's implementation plan proposal. To HCA's knowledge no bidder has access to other information that will give it an unfair competitive edge on the requirements of implementation as a result of having participated in any phase of the 2010 procurement, contract award, or partial implementation.</p>
14.	<p>The RFP requires that the vendor must be able to go live by January 1, 2011. It has been our experience in deals of this nature, as we currently pay over 8.5 billion claims per year, that a best practice includes running no less than one parallel process against the retiring system. Will HCA consider requiring parallel testing to permit at least two parallel test runs, during January and February, prior to a revised go live date of March 1? This scenario will help ensure HCA and vendor success.</p>	<p>HCA is not interested in a parallel claims processing period. Bidders need to propose an implementation plan that successfully completes all necessary preparations, accomplishes successful testing of all systems prior to January 1, 2011, and begins claims payment on January 1, 2011.</p>
15.	<p>In our experience with pricing PSPM, we have found that by separating the implementation price from the monthly PSPM, that HCA will not be burdened with the implementation price for the life of the contract and will result in a lower PSPM price.</p> <p>The ultimate cost to the client will be</p>	<p>HCA has considered the option of paying a lump sum implementation fee at the conclusion of the implementation phase and has decided not to do so.</p> <p>Bidders are to follow the initial RFP format and include implementation costs as an element of the PSPM base administrative fee.</p>

	BIDDER QUESTION	HCA ANSWER
	reduced significantly if the PSPM is not burdened by the implementation. Will HCA consider an implementation fee up front to prevent paying for the implementation twice as it is structured?	
16.	Will the State provide the anticipated response date to Bidder's questions for Phase 1, 2, 3?	We anticipate that written responses for phases 1 and 2 will be issued no later than January 26 and written responses for phase 3 will be issued no later than January 29. If these target dates change, the designated contact for each potential bidder will be notified by email.
17.	In responding to Exhibit 2 – Administrative Services, the instructions state bidders must demonstrate adherence to each of the required elements. Please clarify if the HCA would prefer that the bidders, "Confirm" they meet each requirement under each subsection within the exhibit? Or if an overriding "Confirmation" is acceptable for all of Exhibit 2 with the necessary and appropriate detailed descriptions within each subsection below the confirmation?	HCA expects bidders to incorporate necessary explanation into the response for each exhibit and sub-exhibit of the RFP to demonstrate that the proposed service being offered at a minimum complies with all requirements listed for that exhibit or sub-exhibit. HCA is not looking for an over-arching or summary statement of confirmation that all requirements are met.
18.	<p>On Page 92 of Exhibit 3.1 – Out of State Provider Network, item 2 of the Specific Instructions states "The bidder must submit accompanying documentation that the Out-of-State provider network covering the other 49 States and the U.S. Territories is in place as of the date of proposal, February 26, 2010."</p> <p>Can you please clarify specifically what you are looking for in terms of the accompanying documentation? Are you looking for a detailed listing from our provider database? Access to our online provider directory? A summary listing of specialty counts by state?</p>	<p>If the proposed out-of-state network is owned by the Prime Bidder, then a simple statement affirming that the network covers the United States and territories will suffice. If the Prime Bidder is forming a joint venture or subcontracting for the out-of-state network, then the proposal must include a copy of a signed contract or other legal document confirming the out-of-state network arrangements are in place as of February 26, 2010. An indication that this will be accomplished at a later date is not acceptable.</p> <p>It is acceptable for the legal arrangements to specify that the terms of the arrangement are contingent on the Prime Bidder being awarded the UMP administrative services contract.</p>
19.	<p>On Page 93 of Exhibit 3.2 – Washington Professional Provider Network, item 2 of the Specific Instructions states "The bidder must submit accompanying documentation that the Washington State professional provider network is in place as of the date of proposal, February 26, 2010."</p> <p>Can you please clarify specifically what you</p>	If the proposed WA professional provider network is owned by the Prime Bidder, then a simple statement affirming that this will suffice. If the Prime Bidder is forming a joint venture or subcontracting for the WA professional provider network, then the proposal must include a copy of a signed contract or other legal document confirming the network arrangements are in place as of

	BIDDER QUESTION	HCA ANSWER
	are looking for in terms of the accompanying documentation?	<p>February 26, 2010. An indication that this will be accomplished at a later date is not acceptable.</p> <p>It is acceptable for the legal arrangements to specify that the terms of the arrangement are contingent on the Prime Bidder being awarded the UMP administrative services contract.</p>
20.	<p>In order to provide a geo access, network adequacy analysis and provide accurate pricing, we will need a census file. Please confirm that the HCA or Milliman will be providing all bidders with a Subscriber census file of the UMP population which includes the following column indicators:</p> <ul style="list-style-type: none"> • Age • Gender, • 5-digit zip code • Enrollment tier • Enrollment by Plan (Please indicated any waivers) 	<p>The UMP population information is already populated by MSA in the network adequacy files available through the Milliman FTP site.</p> <p>This RFP does not require bidders to submit a full geo access analysis.</p>
21.	How will HCA handle enhancements or changes after 1/1/2011?	<p>A work order process is described in the draft statement of work.</p> <p>Bidders should note that this RFP is meant to achieve a full scope of work under a base PSPM administrative fee. Use of work orders will be solely at HCA's option and will be carefully scrutinized to assure work appropriately covered under the awarded contract is not reimbursed as an enhanced payment.</p>
22.	In responding to section 2.2.2, does HCA desire a match to ActiveHealth's style of disease management or will it consider other alternatives?	<p>HCA is not requiring a match to ActiveHealth's style of disease management. HCA desires a proposed program that demonstrates improvements to members and to the cost trend. HCA expects each bidder to come up with its best disease management offer to achieve this. In addition if the bidder feels that there is more than one option that would achieve success and the additional option(s) have a different cost, bidders can add an additional line(s) to the Medical management Buy-Up Options table on page 26, Exhibit A, Base Administrative Fees section. HCA will consider all alternative styles recognizing that the page number limitation applies regardless of the number of options described. Additional pages will not be considered or reviewed.</p>

	BIDDER QUESTION	HCA ANSWER
23.	In responding to section 2.3 Fraud Detection and Prevention, does HCA require a detailed response?	HCA will accept a summary response to this section.
24.	What companies submitted Letters of Intent?	Aetna HP Enterprises ODS Health Plan, Inc. Premera Blue Cross Regence Blueshield United Healthcare Insurance